



CORPORATE SPEAKS:  
SHALINI CHAKRAVORTY

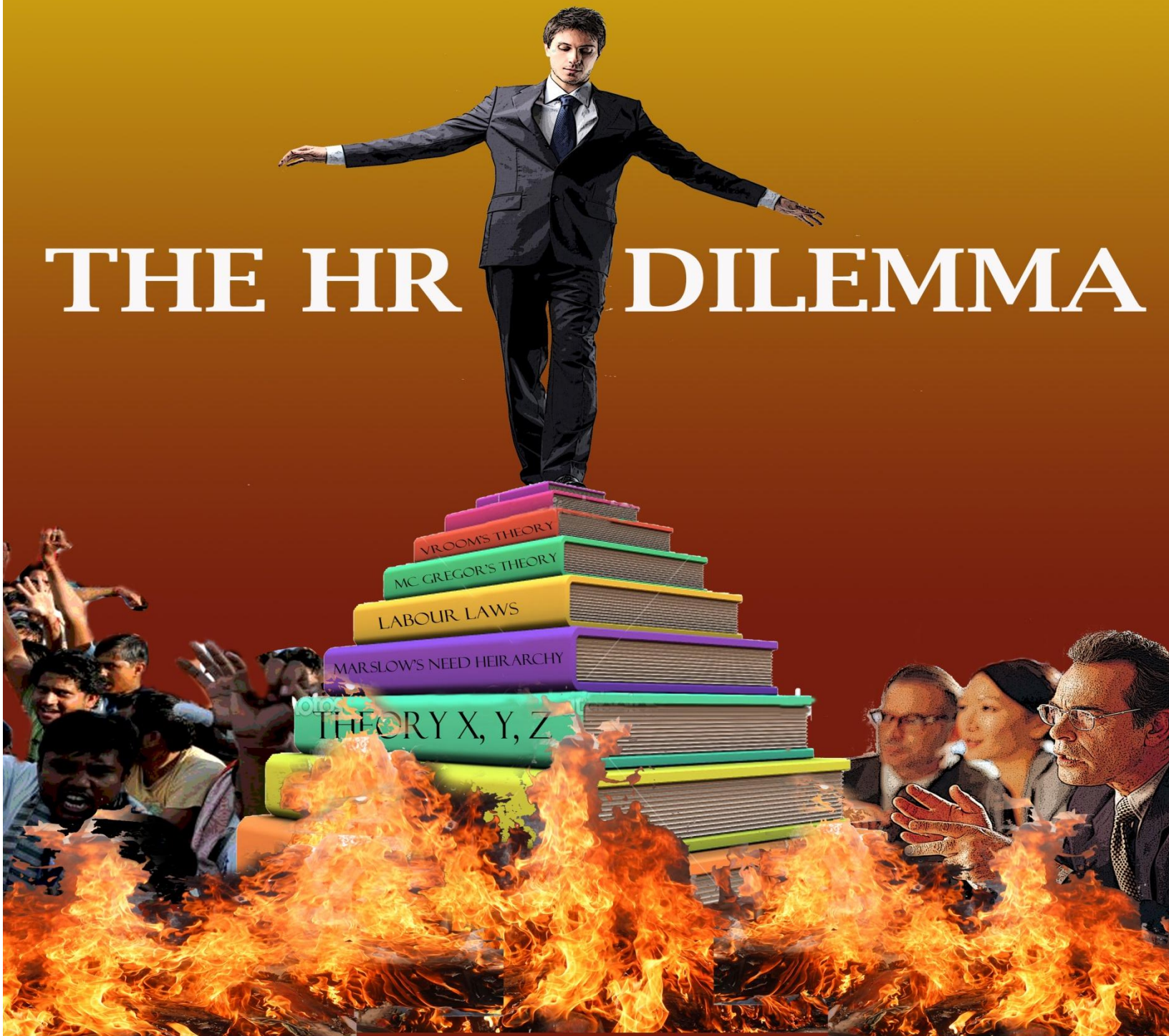


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# UTTARAN

SCHOOL OF MANAGEMENT SCIENCES, TEZPUR UNIVERSITY.  
*A STUDENTS' INITIATIVE*

## THE HR DILEMMA



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# FROM THE EDITOR'S DESK

**UTTARAN**  
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There is always a sweet scent of freshness associated with the Autumn Semester at the Department of Business Administration in Tezpur University. It is that time of the year when old things give way to the new. The juniors become seniors and the seniors move ahead to live their dreams as managers and entrepreneurs. It is also a time when fresh batch of young boys and girls join as MBA students, hoping to learn and in return enriching the department with their ideas as well as enthusiasm.

Uttaran too has traversed a long distance in the last one year chronicling not just the news and events of the corporate world but also providing a platform for the students to showcase their creativity. It gives them an opportunity to take time out of their hectic schedule and pen down their thoughts and ideas. The September edition of the magazine hopes to continue this tradition.

In the inaugural edition of Uttaran, the Editorial Team has decided to cover the riots that took place at Maruti Udyog's factory at Manesar on 18 July. The incident in which Awanish Kumar Dev, HR Manager, was brutally murdered by workers of the factory came as a shock not only for the management at Maruti Udyog and corporate India but also to the students of Department of Business Administration who aspire for a career as managers.

It is this concern that we have tried to address in our cover story by focusing on the larger role that the HR manager of today should play. The cover story brings to forefront the dilemma facing HR managers as to whose side to take when the interest of the shareholders and workers come in conflict with each other. It tries to find out ways in which they can come out of this situation.

The current issue of Uttaran also features an article on Mutual Fund by Mr. Arup Roy, Assistant Professor. Team Uttaran is thankful to Mr Roy for his contribution in the magazine. The other major articles include one on the discovery of Higgs-Boson particle by scientists in Geneva and on the changing trends in Indian Auto market.

Team Uttaran hopes that the inaugural issue lives up to everyone's expectations.

Please send in your suggestions and feedbacks at [uttaran@tezu.ernet.in](mailto:uttaran@tezu.ernet.in)

Kaushik Handique  
Editor, UTTARAN

**Disclaimer: The views presented are the opinion/work of the individual authors and the UTTARAN team bears no responsibility whatsoever.**

### ☒ HUMP BACKED SAHARA !!!

SAHARA seems to be the new hump backed character in town. The legendary and mystical business giant "SAHARA" is finally running out of steam. After the big jolt in 2008 when Central Bank left Sahara India Financial Corporation with no choice but to wind up. But its flamboyant chairman, known for his proximity to cow belt politicians and bollywood stars, advertised a mega township venture spanning across different cities. When asked about how the project would be financed, reply came straight - "Internal Resources". This was supported by the fact that Sahara has been raising money through sale of fully optional convertible debentures for new ventures. On 31st Aug'12, Supreme Court directed two of its companies - Sahara Commodity Services Corporation and Sahara Housing Investment Corporation, to refund Rs 17,400 crores to their investors within three months with 15% interest. SEBI, as per the court order, may attach properties and freeze bank accounts of the two companies if they fail to comply with the order.

### ☒ GOLD - NO MORE LUSTROUS !!

Once glittery, Gold is now gradually becoming lusterless. Gold imports in India fell by 18.4% to Rs 71,912 crores in first quarter of current financial year. Reason behind this is mainly due to sharp increase in prices, as per the government data. This could bring in a sigh of relief for the Indian Economy. The craze for the yellow metal was ruining the country's economy. The government believes that the common man can easily save the country's faltering economy by sacrificing his passion for gold. However, on 1st September'12, Gold recorded soared to hit a life-time high of Rs 31,255 per 10 grams, a new milestone at the bullion bourses here today on frantic stockiest and investment-driven buying spree triggered by a powerful global rally.

### ☒ TATA

Ratan Tata, head of the \$83.3 billion salt-to-software conglomerate of more than 100 companies, will return in December when he turns 75. On 31st august Tata bid his final goodbye to shareholders of Tata Global Beverages in Kolkata.

# TUMBA TRIBUNE

### ☒ FACEBOOK SHARES HIT RECORD LOW

Shares of social networking giant facebook hit a record low when another investment firm cut the social media company's target price and the firm's co-founder sold his shares. Facebook's stock dropped to \$ 18.06 on 1st September, less than half of its offer price of \$38.00 during its May IPO, ABC News Report.

### ☒ FIRST RANK GOES TO - "INDIGO"

According to latest reports Indigo has emerged as the leader in aviation sector by concerning 27 % of market shares in July. The national carrier AIR INDIA which recently faced 58-day long strike by its pilots, witnessed an increase in its market share from 16.8% in June to 18.2% last month. Jet Airways and its subsidiary JetLite jointly, which cornered 27.4% of market share in June this year to be the leader, took the second spot with 26.6% share.

### ☒ NOW ₹ 1000 NOTES WITH RUPEE SYMBOL

The Reserve Bank Of India (RBI) will soon issue ₹1000 denomination notes with the rupee symbol and improved security features. A RBI statement said that the new notes will have the letter 'L' in both the numbering panels. These notes will bear the signature of RBI Governor D. Subbarao. The year of printing 2012 will be on the reverse. The existing Rs. 1000 notes will continue to be legal tender.

### ☒ COLD WAR BETWEEN SAMSUNG AND APPLE

Apple, having filed a lawsuit on infringement of its product by Samsung, Apple won its one billion dollar court battle against rival Samsung Electronics Ltd. Tech giant Apple is launching another lawsuit against the latter, alleging further infringement, on four more products, including the Galaxy S III, claiming that they have violated its patents.

# Changing The Face of Risk Man- agement in India.

*Headquartered in Hong Kong with offices in 14 countries, Hill & Associates is one of the world's leading independent security and risk management consultancy firms. Its solutions enable companies to operate safely, efficiently & without disruption in the world's most difficult markets. Team Uttaran spoke exclusively to its Country Director, Ms Shalini Chakravorty about the company and its operations.*

**What specific security and risk related issues of the clients do Hill & Associates addresses?**

Our solutions address a wide range of business risks including regulatory and compliance issues, while improving transparency and executive decision making in the process. Fundamental to our successful strategy has been the integration of our services into three core practice areas - Risk Intelligence Services, Asset Protection and Enterprise Security and Business Intelligence and Integrity Risk.

Risk Intelligence Services specialises in providing off the shelf as well as customised risk information products pertaining to incidents and events in the country that may affect business operations. The second practice area is Asset Protection and Enterprise Security which specialises in mitigating risks to physical assets and infrastructure and improving the resilience of business operations in the event of any such

eventuality.

And lastly, we operate in the area of Business Intelligence and Integrity Risk where we provide a range of intelligence, investigative, forensic and consulting services for the protection of proprietary information and reputation and ensuring regulatory compliance.

**Which sectors and industries are particularly vulnerable to those risks?**

India is a vast country and has diverse social, cultural and geo-political issues in various parts of it. Such services would be of a value particularly to multinational companies, especially in extractive businesses like precious stones, oil and gas, IT & ITES, investment banks, law firms, private equity firms, hedge funds, retail, FMCG, wanting to invest or setup business operations in an unfamiliar environment.

**What is your approach towards addressing those issues?**

Our approach is to understand client's requirement and provide customised risk mitigation solutions. Our aim is to support clients anywhere in Asia and the Middle East with dedicated and ethical resources in order to provide actionable intelligence, relevant & professionally competent advice, and credible response.

**Are small and medium enterprises equally vulnerable to such risks?**

Organisations irrespective of their size are vulnerable to such risks and require these services in order to not only operate but also to compete in an increasingly global marketplace.

Organisations making informed decision and taking preventive measures to mitigate risk definitely will have a competitive advantage in today's business environment.

**What are the major challenges that you face in your line of work?**

Since we offer highly customised service to our clients, every client project throws up new and



unique challenges at us which we have to deal with individually. There are no off the shelf solutions in our line of work. They are specific to client and industry.

For example, for our clients in the mining industry, we have to collect data from the field. And since a major portion of mines are situated in areas affected by Naxal insurgency, we, at times have to put our safety on line to get the information. Therefore, when we take up any project, we first try to fully understand the nature of our client's problem and device solutions accordingly.

**If a student wants to pursue a career in this field, what essential qualification or skill that he or she need to possess?**

Any graduate or post-graduate in any discipline can enter this field. What is necessary to succeed is the right mindset and aptitude. A person should have good knowledge of geo-political issues in the country. Besides analytical skills and problem solving ability, effective communication and decision making ability is also very essential in our line of work. And since our operations involve gathering information, one is expected to be acquainted with both primary and secondary research techniques would be at an advantage. However, the most important quality that one must possess is the ability to work in teams, with people coming from diverse backgrounds.

# THE HR DILEMMA!

The Manesar incident shows that there is more to HR management than just recruitment and training. They must play a key role in balancing the interest of workers and shareholders.

***The Manesar incident exposes the complacency that HR managers exhibits . They must reassert their role as a facilitators of cordial relations between the management and workers.***

There is a common misconception associated with Human Resource Management in India. As compared to Marketing and Finance, it is often thought of as an area that is relatively secure and much less demanding in terms of time and effort. However, if the recent incident at Maruti Suzuki's Manesar plant is taken into consideration, when situation turns ugly in an organization it is the HR personnel who come under the direct line of fire between the top level management and the workers.

The 18th July incident at the Maruti Udyog factory where the agitating workers not only ransacked the factory compound but also ended up killing its General Manager (HR) Awanish Kumar Dev, is a grim reminder of the fact that even two decades after the liberalization of the Indian economy, relations between the workers and the management continues to be that of distrust and hostility. What would have been a petty dispute involving a workman and a supervisor went out of control resulting in the loss of both life and property.

The murder sent shockwave across the country evoking widespread condemnation of the dastardly act allegedly perpetrated by some members of the workers' union. But, at the same time, it also called upon Corporate India to look within and retrospect.



Was the cause of violence at Manesar fall-out of the increasing inequality between the 'Haves' and 'Have Nots' in the society? Was too much interference by political parties in union activities responsible for it? Was hiring contract workers the best remedy against rigid labour laws in the country?

These questions were discussed and argued upon by Managers, Union Leaders and even politicians in print and electronic media. However, one question that still failed to make it to the discussion table was the dilemma facing every HR manager –How does he or she maintain the balance when the interests of the workers and the shareholders come in direct conflict with

In a developing economy like India, cost plays a major role in determining whether a company would survive or not. In fact, the high rate of growth witnessed in India is due to low cost of labour which makes it profitable for foreign companies to set up factories here. But, India prospers economically; the standard of living is also rising. Now-a-days, workers working in factories are no longer satisfied with just two square meals a day. They aspire to send their children to schools and colleges. Add to that the desire for materials and the cost graph starts to head north.

contd.....

There can be no justification for murder and the perpetrators of the heinous crime committed at Maruti need to be brought to justice. But it would also not be prudent to pin the blame solely on the militant trade unions. The scuffle between the supervisor and the workman at the Manesar factory only provided the spark to the pile of explosives that the car maker had accumulated over the years.

Regarding the incident, there is consensus among the experts that pent up anger among the workers was primarily due to the discriminatory policy followed by the top management at Maruti Udyog. Like almost every industry engaged in production these days, Maruti HR policy too had been to hire workers on contract basis for quite some time. This gave the company flexibility to get rid of the excessive workforce in the event of a slump in demand. Moreover, the company also did not require spending on perks like pension, health insurance etc which were a statutory obligation in case of a permanent worker.

This however, did not go down well with the workers because of two main reasons mainly - the visible discrimination in terms of pay as compared to permanent workers and the rising cost of living due to high inflation. It is estimated that the permanent workers received on an average, two times more pay than their casual counterparts. Such discrimination would not have caused much resentment had the two workers belonged to different levels in the hierarchy or performed functions different from one another. What made the matter worse was unequal pay for equal work. Naturally resentment grew among the casual workers who saw their permanent colleagues take almost double wage that they received for doing the same work. The high in-

flation rate further added to the resentment of the casual workers. Skyrocketing price of commodities, especially the essential items, made it difficult sustain a decent living on low wages.

Suresh Parmar, CSR Consultant and the Executive Director, Centre for Training & Research in Responsible Business, blames the lack of trust between the workers and the HR department as the main cause of the violence in Maruti's Manesar plant.

***“At Maruti it is evident that HR was unable to generate respect and confidence among the workers. Workers most likely felt that HR was not representing their problems but working in favour of the management,”***

“At Maruti it is evident that HR was unable to generate respect and confidence among the workers. Workers most likely felt that HR was not representing their problems but working in favour of the management,” says Parmar.

Parmar sees the Manesar incident as a lesson for the HR managers to recast their working. He calls for the HR fraternity to let go the myopic view of the discipline as one concerning recruitment and training and broaden its scope to incorporate Corporate Social Responsibility in its employment policies.

“Today the HR Manager has to take responsibility of making his company a responsible business unit. He or she needs to take efforts to spread the message of Corporate Social Responsibility throughout the organization. This is a task that they are most suited for because they have connections throughout the organization,” adds Parmar.

Last year, the workers led by the trade union called a strike in Maruti demanding the conversion of casual workers to permanent. The strike lasted for almost several weeks before the union and the management agreed on a compromise. The union now alleges that the management went back on its promise. In fact, it is cited by the union leaders as the main reason for the workers taking up the violent path against the management.

Coming back to the question of balancing the interest of workers and management, K Ramkumar, Executive Director, ICICI Bank feels that today's human resource professionals have lost sight of the connect with their people because of their obsession with high-sounding concepts, processes and metrics.

“I have in the last decade watched with horror the decadence of our thinking, from engaging and relating to people to managing human resources.

We have progressed from the absurd to the insane. We believe that the system and process of budgeting, goal and metrics, will replace the trust and engagement-intensive process between the performer and the boss who enables it,” says Ramkumar.

Ester Martinez, Managing Editor of a Delhi based HR Magazine – People Matters, says that management and boards have left the entire issue of industrial relations out of their business and strategic focus and bucketed it as an HR issue to be dealt by HR alone.

contd...



PHOTO: REUTERS

### **The dilemma in which the HR fraternity finds itself is a creation of its own complacency.**

"There requires an honest attempt from all parties to re-think what needs to be done to build an inclusive and sustainable ecosystem for business development and nation building. Starting from the required changes in India's archaic labor laws to ensuring that industry is competitive in the sectors that contribute heavily to GDP; to the need for companies to ensure workers have sufficient purchasing power," writes Martinez.

**"Management and boards have left the entire issue of industrial relations out of their business and strategic focus and bucketed it as an HR issue to be dealt by HR alone."**

In the present scenario, it becomes even more essential to assess the role of the HR personnel. Increasing competitiveness of the business environment is necessitating tough decisions, whose consequences are like the ones witnessed on 18 July. Gone are the days when the HR personnel could confine themselves to the task of performing

its administrative functions only or blindly implementing the policies of the top management.

The dilemma in which the HR fraternity finds itself is a creation of its own complacency. At this critical juncture, the HR managers must be assertive not just in front of the workers but also the top management, and convince both the parties to consider the ramifications of their actions at both organizational and social levels. They must also try to bridge the gap that exists

### **The role of the HR is more challenging than ever before.**



PHOTO: REUTERS

between the management and the workers. This, they can do only by finding ways to create a win-win situation among all the stakeholders in the company.

**"I have in the last decade watched with horror the decadence of our thinking, from engaging and relating to people to managing human resources. We have progressed from the absurd to the insane. We believe that the system and process of budgeting, goal and metrics, will replace the trust and engagement-intensive process between the performer and the boss who enables it,"**

India of 21st century is different from the west during the early 20th century where Fredrick Taylor's Scientific Management principles were accepted by workers without complain. Nor is it still living in the 70s and 80s where the militant unions could coerce a company into accepting any of their just or unjust demand.

***The role of the HR is more challenging than ever before.***

# Cancer, Hepatitis, Corruption, AIDS. . .

Uttam Debnath

At present, corruption is the biggest socio-economic problem facing the country. It is a term which is very difficult to define for it has many meanings in many contexts. Yet, every time a common man hears this word, the first image that appears in his mind is that of a politician.

Corruption is not new to this country. It is also not unique to it. However, considering the fact that these days not a single month passes by without a multi-crore scam being exposed by the media, its sheer intensity and volume makes one worry about the future of this country.

Corruption germinates from the union of greed and dishonesty. In India, it is not uncommon for the people to pay bribe not only for getting wrong things done or but even for getting right things done at right time. Corruption is an intractable problem. It is like a disease which can only be controlled but cannot be cured completely. And, like a disease, it has not become so powerful and dangerous overnight. It has grown and evolved over time to turn into a menace that our country faces today. This however is sad especially for the fact that India is a country where leaders like Mahatma Gandhi, Sardar Patel, Lal Bahadur Shastri and Kamraj lived. Compared to the politicians of our grandfather's generation there are hardly any politicians left in India who can be safely termed as 'honest'.

When we talk of corruption in public life, it not only covers corruption by politicians, state governments, central governments but even businesses. In almost every government office which deals with the public, it is nearly impossible to get a file moved, an application forwarded or a tender passed without bribing those who have been bestowed the power and authority to do the same. Government offices are den of corruption. If anybody is foolish enough to ignore this informal rule, he cannot get the work done. What's more worrying is that now-a-days even the private

organizations are beginning to adopt this practice in their organizations.

Anyone we meet on the road, in office or at home would talk of morality and the importance of value-based life at length. But, this is only for show. People have grown such an insatiable appetite for money that they can go to any extent to get it. Our society is constantly moving towards the direction of becoming materialistic one, where one is respected not for what one is but what one has. Everybody is running after money because it can buy them things which in turn get them the respect and attention they want.

As far as fighting corruption is concerned, it already looks like a battle already lost. It has been witnessed in the past how the officers who were appointed to check corruption themselves embraced it. Thus the network of corruption is like a spider's web, the more one fights to get out of it, the more he or she gets entangled in it.

In government, corruption begins from the time of recruitment itself. It is difficult to get a government job without bribing the middlemen. And the nexus between the corrupt elements in our society is so strong and omnipresent that one cannot bypass it. There is a nexus between the politicians and middlemen, bureaucrats and middlemen, politicians and bureaucrats, police and criminals, criminals and politicians and so on.

In fact, the nexus between the politicians and the criminals and the police and the criminals is so strong that people often try to sort things out with the criminal elements in the society rather than go to the politicians or the police. Criminals have no morals, hence nothing good can we expect from them. But police are supposed to uphold the law. Even they are equally corrupt. The main reason of corruption in police department is that they enjoy special powers and hardly anybody has succeeded in holding them accountable for their actions. Even if a complaint is lodged a

against them, no action is taken.

Corruption can be need-based or greed-based. Good governance can check both of them. There are innumerable laws to deal with the menace of corruption. But still hardly any of that come to any use when those responsible for enforcing them are often found fighting side by side against the honest.

The time has come to take important steps to control corruption and address the problem. Declarations of property and assets of the government employees as well as all the politicians should be made compulsory and routine. The number of judges and courts should also be increased so that judgment could be delivered quickly and effectively on corruption cases. At local levels, corruption can be checked by forming Lokayukta (public ombudsman).

Although it is very difficult to control corruption, it is certainly not an impossible task. It is not only the responsibility of the government but citizens too to make efforts to check corruption. It is time for all the people of the country specially the younger generation to come out and fight against corruption. We must imbibe high principles so that we are able to set example for the coming generations to follow. Let us make a country which is free from corruption. That will be our highest achievement as human beings and as Indians.

# Pride and Bhroooooomm...!

SIMANTA BORA

MBA, Dept Of Business Administration, TEZPUR UNIVERSITY

**INDIA** the 3rd largest economy in Asia, saw a jaw-dropping increase in the luxury car market in the recent times. In spite of the recent global economic slowdown this segment tends to grow at around 45-50% as against the growth rate of the mass car market which is growing at about 6% annually. Decades of growth has changed the very definition of this segment which had an average price of 25-30 lakh few years back to 90 lakh – 1 crore in the recent times. Not long ago a Honda Accord or Toyota Carry was considered a luxury car in India which was dominated by small cars like Maruti 800, Alto. But those days are gone.

There has been a distinctive shift in the very perception of luxury cars in India. People are upgrading the segment, from a Honda Civic to Mercedes-Benz E-class. Five years ago if someone bought a BMW or Mercedes it would raise the eyebrows of the passersby but today owning a Mercedes or an Audi is not a big deal.

The newly formed upper class consisting of industrialist, CEO's of MNCs, farmers and young entrepreneurs drive the Rs 5,320 Crore luxury car market in India. In a report by McKinsey & Corp. around 2 million households with annual income of Rs 191,520,000 a number set to swell to around 8-10 million by 2015 if the country's economic growth remains stable. In 2007, India had the highest growth rate of millionaires globally at 122.7%. This robust growth in the number of millionaires in the country, being one of the highest in the world paves the way for the future growth of luxury car market in India.

In 2010, the city of Aurangabad made headlines when residents ordered almost 150 Mercedes-Benz cars. The demand for high-end cars goes beyond India's biggest cities. Although 70% of the cars that BMW sells are in Delhi and Mumbai, most of the 36 new showrooms, it plans to open over the next four years, will be in smaller towns. Mercedes-Benz, BMW and Audi dominates the luxury car segment in India with an aggregate market share of 80-85%. The rest of the demands are met by Ferrari, Porche, Mescrati, Lamborghini etc. The German car brand MERCEDES-BENZ entered India in 1995 when there was no direct competition in this segment, thus maintaining the 'Numero Uno' position in luxury car brand in India for a decade. But with the entry of

BMW in 2006 and Audi in 2007 the market dynamics changed completely.

Mercedes India, now known as DaimlerChrysler Private Ltd., started its journey in India with the launch of its world-wide successful model the Mercedes-Benz E-Class (W124) in March 1995. Mercedes-Benz popular among the Indian consumers for providing latest models and technology following strict quality control standards has a state-of-the art fully-equipped manufacturing unit at Pune. While the C-Class and E-Class are built locally the SL-Class are imported as Completely Built-in Units (CBU). The company offers the S-Class, E-Class, E-Class, M-Class, CLS-Class, SLK, AMG, CL and Maybach.

The European car major BMW entered India in 2006. The company which is headquartered at Gurgaon and the production unit which is located near Chennai started its operation in India with an investment of 1.1 Billion Rupees. It produces the 3 Series and 5 Series sedan at its Chennai plant. The rest of the models (7 Series, X1, X3, X5 and X6) are imported as CBUs. BMW with its aggressive marketing strategy, fast expansion of product line, strategic dealer location has won the race defeating Mercedes in March 2011 selling 7,079 vehicles as compared to 6,670 for Mercedes.

Audi India started operating in 2007 by establishing its own sales company in Mumbai and production unit in Aurangabad. It is the fastest growing company among the three and now holds around 20 % of the market share. Audi produces the A4 and A6 model in India while the A8, Q5, Q6 , Q7, TT and super speed racing R8 are imported as CBUs. Audi invested significantly in the brand building, marketing and improving after sales service to its customers. Audi's commitment to innovative and sophisticated design has always lured the tech-savvy young Indian population in India. Besides being the fastest growing luxury brand in India, Audi regularly brings new models and new variants of existing model to surprise its customers.

Although the luxury car segment is insensitive to inflation still this segment has suffered a lot due to the increased interest rates because 75% of the luxury cars are financed. Also the 110% taxes levied by the govt on imported luxury goods has a significant effect on this segment. The recent rupees depreciation is also another setback to this segment. The crowded roads, potholes and inefficient express ways are also expressed as drawbacks by the customers and sellers of the luxury cars.

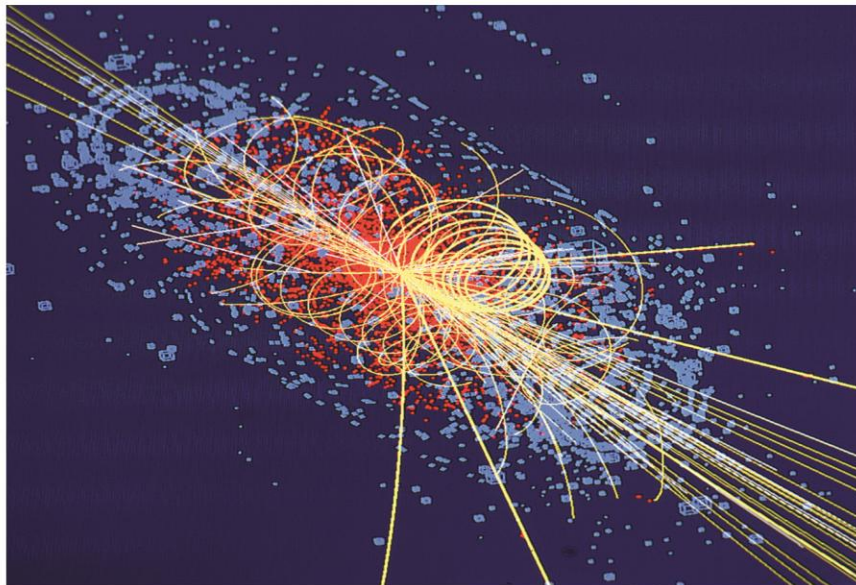
# Who made us? God or God Particle?

Tridob Borah

After waiting for almost half a decade, the moment of reckoning finally came on the morning of 8th of August 2012, CERN director general Rolf Heuer confirmed that two separate teams working at the Large Hydron Collider (LHC) are more than 99 percent certain they've discovered the Higgs boson. Also known as the God particle, scientists believe it to hold answers to not just many unanswered questions in science but to the oldest of them all – How did the world come to being? The scientists found brand-new particle exactly where they expected the Higgs to be.

The long-sought particle may complete the standard model of physics by explaining why objects in our universe have mass—and in so doing, why galaxies, planets, and even humans have any right to exist. It is suggested that the Higgs boson has a mass of about 125 gigaelectron volts (GeV)—about 125 times the mass of a proton, a positively charged particle in an atom's nucleus. The Higgs boson is one of the final puzzle pieces required for a complete understanding of the standard model of physics—the so-far successful theory that explains how fundamental particles interact with the elementary forces of nature. God particle was proposed in the 1960s by Peter Higgs to explain why some particles, such as quarks—building blocks of protons, among other things—and electrons have mass, while others, such as the light-carrying photon particle, do not. Higgs's idea was that the universe is bathed in an invisible field similar to a magnetic field. Every particle feels this field—now known as the Higgs field—but to varying degrees.

If a particle can move through this field with little or no interaction, there will be no drag, and that particle will have little or no mass. Alternatively, if a particle interacts significantly with the Higgs field, it will have a higher mass. The idea of the Higgs field requires the acceptance of a related particle: the Higgs Boson. Exotic fundamental particles—some of which likely haven't existed since the early moments after the Big Bang—are created in the high-energy crashes. But the odd particles hang around for only fractions of a second before decaying into other particles.



Now that the Higgs boson—or something like it—has been confirmed to indeed have a mass of around 125 to 126 GeV, scientists have a better idea why the God particle has avoided detection for so long. This mass is just high enough to be out of reach of earlier, lower-energy particle accelerators, such as the LHC's predecessor, the Large Electron-Positron Collider, which could probe to only about 115 GeV. At the same time 125 GeV is not so massive that it produces decay products so unusual that their detection would be clear proof of the Higgs's existence.

Scientists believe that this discovery has great potential in what it might lead to in future. According to them this shall go a long way in understanding the world better. It is an indication that the last 45 years of particle physics has been on the right track, and now the hope to look beyond the standard model into why particles gain mass. It shall give a new direction to the physicists by explaining dark matter and other mysteries of the universe. "Without the Higgs particle, other particles, such as electrons and quarks, would be without mass and the Universe would not be what it is. The Higgs particle is even more exciting as it provides us with a window to new physics — a tool for the exploration of the truly unknown. It would help in uncovering new physics, explaining dark matter and other mysteries of the Universe. The discovery teaches us something fundamental about the building blocks of the Universe and how the fundamental particles that build the world around us acquire mass.

According to the researchers the chance of either of these experiments being wrong is less than one in a million, and for both of them to be wrong is more like one in a trillion. All the evidence suggests it's the Higgs Boson. It has been an extraordinarily long haul. Some of the physicists have been involved in this since the early '80s. That's a 30-year journey.

# ALL ABOUT MUTUAL FUNDS!



**ARUP ROY**  
Assistant Professor  
Dept. of Business Administration

## Q.1. What is a Mutual Fund?

**View:** In 1963, the first mutual fund was set up in India. It was named as Unit Trust of India. After three decades, in early 1990s, the Government of India allowed public sector banks and institutions from banks and insurance companies like - Birla Mutual Fund, DSP Merrill Lynch Mutual Fund, HDFC Mutual Fund, IDBI Mutual Fund, JM Mutual Fund, Kotak Mahindra Mutual Fund, Morgan Stanley Mutual Fund, Prudential ICICI Mutual Fund, Reliance Mutual Fund, Standard Charter Mutual Fund, Tata Mutual Fund and Templeton Mutual Fund. to set up mutual funds.

Mutual fund refers to a collective fund pooled by many investors who do not have professional expertise in managing investment. In other words, mutual fund is a mechanism for pooling the resources by issuing smaller units to the investors for investing in securities according to the objective of the investor. Now, let me explain you with a simple example. If 10 investors contribute Rs.100 each, then the pooled mutual fund would comprise of Rs.1000 ( $\text{Rs.}100 \times 10$ ). In practice, the contributions made by each investor are not equal. For the ease of calculation, we have assumed that the contribution made by every investor in this example is equal. Now, if the face value is Rs. 10, then the contribution of the investors would be counted in multiples of Rs. 10. So, an investor contributing Rs.100 would get 10 units ( $\text{Rs.}100/\text{Rs.}10$ ). Similarly if an investor contributes Rs.300, he would get 30 units ( $\text{Rs.}300/\text{Rs.}10$ ). In this example, total number of units issued is – 100 ( $\text{Rs.}1000 / \text{Rs.}10$ ). The profits or losses are shared by the investors

in proportion to their investments. Now this entire pooled fund of Rs.1000 is invested in the securities market according to the objective of the investor. Each mutual fund is launched in the market with different investment objectives. Mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. Before investing in mutual funds, the investor selects a mutual fund that satisfies his or her individual investment objective. The value of this pooled fund (Rs.1000) may increase or decrease after a particular investment horizon (time). Suppose, after 3 years, the market value of the pooled fund becomes Rs.1500. Any receivables should be added with the market value and at the same time total liabilities should be deducted. Since, there are in total 100 units for this mutual fund, per unit value would be calculated as follows: -

### Per Unit Value or Net Asset Value (NAV)

=

$(\text{Market Value of the Pooled Fund} + \text{Receivables} - \text{Liabilities}) /$   
Total Number of Units

Therefore, if an investor has 10 units, he or she would get Rs 150 ( $\text{Rs.}15 \times 10$ ) for an investment of Rs. 100. This is the basic concept of Mutual Funds

## Q.2. Aren't Mutual Funds risky?

**View :**

Risk is an inherent part in any investment. So every types of investment, including mutual funds, involve risk. In investment sense, risk refers to the possibility of losing

both principal and any earnings over an investment. For mutual funds, a fund's investment objective and its holdings are influential factors in determining the degree of risk of a mutual fund. Investors in mutual fund may have a better idea to understand the risks associated with that particular fund by reading the prospectus. Higher the risk, higher is the return for any investment. While a mutual fund with higher risk has the potential for higher return, it also has the greater potential for losses or negative returns.

The risks associated with the various schemes of the mutual funds are well defined in the mutual fund prospectus. This risk also varies from scheme to scheme as well as from fund to fund. A bond fund with below average risk, should not be compared to a stock fund with below average risk. Even

though both funds have low risk for their respective categories, stock funds overall have a higher risk/return potential than bond funds. Amongst the various financial asset classes, cash investments or money market instruments offer the greatest safety or price stability but have the lowest returns. Bonds are having more short-term price swings, and higher long-term returns, whereas stocks are having greatest short-term price fluctuations, but the

highest long-term returns. Investors looking for the benefit of both bond and equity investment may consider a balanced or hybrid mutual fund that are having lower risk compared to the equity investment but higher return than the bond investment.

Thus, we see that the risk of a mutual fund depends on the type of the fund and its investment objective of the fund. For example, a bond fund faces interest rate risk and income risk. Bond values are inversely related to interest rates. If interest rates increase, bond values will decrease and vice versa. Bond income is also affected by the change in interest rates. Bond yields are directly related to interest rates falling as interest rates fall and rising as interest rise. Income risk is greater for a short-term bond fund than for a long-term bond fund. Similarly, a sector specific stock fund (for example cement fund) is at risk that its price will decline due to developments in the cement industry in the respective country. On the other hand, a diversified stock fund that invests across many industries is less risky compared to a particular sector specific fund.

**Q.3. Are there different categories of Mutual Funds?**

**View:**

Yes, there are various categories of mutual funds like, open-ended funds, close-ended funds, Growth or Equity Oriented Funds ( Diversified equity schemes, Sectoral schemes, Tax Savings schemes, Index schemes), Income or Debt Oriented Funds (Gilt Funds, Mixed Debt Schemes, Floating Rate Debt Schemes, Cash or Liquid Schemes), Balanced Funds, Liquid Funds, Capital Protection Funds, Quantitative Funds, Global Funds etc.

**Q.4. How to decide which Mutual Fund to invest in?**

**View:**

Based on your investment objective, you need to decide the type of mutual fund that is suitable to fulfill your investment purpose.

**Q.5. How do we invest in Mutual Fund?**

**View:**

Investment in Mutual Fund is very easy and involves simple procedure. You need to just contact a financial adviser or you can simply buy mutual funds online yourself if you have an E-trading/Online trading account with a Demat account which can be opened with any broker.

**Q.6. What are the different aspects that we should consider while investing in Mutual Funds?**

**View:**

Well, this one is most difficult even for professionals sometimes. But to start with you can obviously consider the timing of the market i.e., bullish or bearish phase of the market sentiment, period of your investment, past performance of the fund in terms of its NAV (Net Asset Value), comparison with its peer groups, performance records of fund managers etc.

**Q.7. Are Mutual Fund investment tax exempted?**

**View:**

Yes, maximum up to Rs.1,00,000 invested only in ELSS (Equity Linked Savings Schemes).

**Q.8. What are the fees and commission associated with investment in Mutual Funds?**

**View:**

Earlier, the entire mutual fund industry was running at the entry/exit load of 2.25% of the invested amount. At present after the recent SEBI guidelines, there is no entry fee, but an exit fee is applicable for



the investors in mutual funds. It varies from fund to fund and in some case if the investor hold the fund for a particular period, exit load is also exempted.

**Q.9. Can we withdraw from the Mutual Fund as and when we like or is there a lock-in period?**

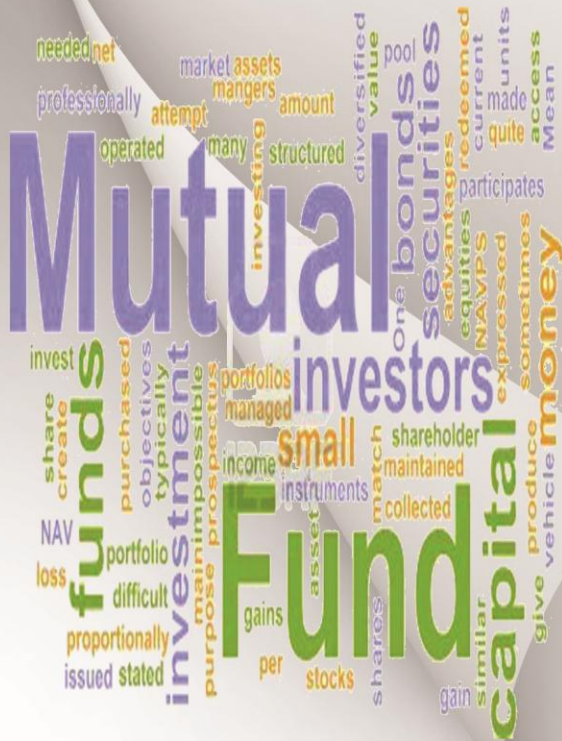
**View:**

If it is a open-ended fund, then the investment can be withdrawn any time, but in case of a close-ended fund, generally there is a lock-in period of three years.

### Q.10. How do we judge the performance of a Mutual Fund?

**View:**

Well, as already explain to you it is the NAV which helps an investor to periodically monitor and evaluate the performance of a mutual fund investment.



The Sharpe ratio was proposed in 1966 by William Sharpe for the measurement of the performance of mutual funds and describes the performance of a fund in terms of how much excess return the investors are receiving for the extra volatility for holding a riskier asset. Investors need to be properly compensated for holding the additional risk as compared to the holding of risk-free assets which bears no risk. Sharpe ratio measures the return earned in excess of the risk-free rate on a portfolio to the portfolio's total risk as measured by the standard deviation in its returns over the measurement period. Treynor ratio is similar to the Sharpe ratio except it uses beta instead of standard deviation in the denominator. Treynor ratio is also known as the Reward to Volatility Ratio.

it is the ratio of the average excess portfolio return to the beta of the portfolio. It measures the returns earned in excess of those that could have been earned on a riskless investment per unit of market risk assumed.



# First Impression is the Last Impression with Customers

There is a saying which states "First Impression is the Last Impression". Very often, I have seen that when any meeting starts in good note, it will end also in a favourable way developing a sustainable relationship between the individuals. This fact is true in most of my cases of instances of negotiation for sales with modern trade retailers. In many discussions and negotiations for margins, I as National Sales Manager for ITC Classmate Stationery brand of products have to make a lot of presentation of our product categories to different Modern Trade Retailer which we call accounts. While your product may be excellent or best in quality, the enthusiasm and fervour with which you present and conduct yourself in-front of the category heads as well as the CEO, makes a lasting impression of ITC Limited and my personality. Self-presentation affects the Account's perception of you and your company. That is the reason; I thought I will put in some thoughts which become necessary to be taken on board when we make presentations to accounts. Some principles which I follow and I want to put down are as follows

I remember at least 4 words of my vocabulary viz, I, me, my, mine and replace the four words with one powerful single word spoken by the human tongue, "you" "account name," your company etc. I always remember what is the most interesting subject for them is THEMSELVES. So statements like how is your company doing, how is your family, how is that new store doing? How about your trip abroad, how did the Dhamaka/Back to school scheme of your account go? How long have you been in this company etc. should be some questions which will be liked by them. Any

individual likes to tell about himself and this creates the accounts to be favourable and spend more time with me.

Most of us are not effective on others because we keep busy thinking and talking about ourselves, our company etc.

The thing to remember is that it is not how I like my remarks and subject; it is how my listeners like them and I can draw attention of them towards ITC Limited or my offerings to influence them.

Here it is important as to how to skilfully make a good impression.

To a great extent we control other's opinions of us. We start off as strangers to everyone and their opinion of us is largely determined by the way we conduct ourselves. Knowing this, it behoves all of us to conduct ourselves in such a manner that the effect on other people will be good.

There is a saying - Handsome is as handsome does, what does it mean? Let me elaborate

If we want people to think well of me, to look up to me, to look upon me with admiration and respect, we must give them the impression that we deserve that rating. This is done primarily by the value we put on ourselves.

We need to be proud of ourselves (but not conceited/ not arrogance without humility), of who we are, of what we do, of where we work and represent and our body language. Don't apologize for the station in life or ourselves. Our internal issues if any should never be disclosed or visible in our expression or statement or body action. We are what we are, so we need to handle our self and job with pride and respect. Yes, there has to be self-pride and at the same time no ego, because ego will cause negativity in our image going down. The best example is like a duck that is busy paddling below the water and yet looks serene and



**Dr. Samip Baruah**  
National Sales Manager  
ITC Limited

calm outside. I may be agitated for some reason but when I discuss with the accounts, it should be hidden and in no way should the account understand the internal issues thus looking handsome.

When people ask us what we do for a living, it is important how we answer them. Let us assume I am the KAM (Key Account Manager), my response should be I take care of ABRL (Aditya Birla Retail Limited) All India and in charge of all TOT (Terms of Trade) negotiation, visibility and promo execution and fill rate.

We should not give an unimpressive statement; I am a same old Area Manager managing the account which is an unimpressive one.

I need to state that I am fortunate enough to be associated with ITC which is one of the finest top FMCG companies in India.

Some principles which I keep in mind when presenting me is

(a) I need to be sincere- say things

which we mean and believe those things we say. Stay away from empty promises and meaningless words

(b) I need to show enthusiasm- Believe in your company and product. Enthusiasm is contagious and only after you sell ourselves to others then only we can sell our product.

(c) I should not be over anxious- if we are over anxious we start people wondering and giving those doubts. Conceal your anxiety and be an actor where needed. There is no harm in pretending to be cool but you may be in a great hurry to close the deal and jump forward for another meeting. I was thinking this kind of anxiety can be when there are Indo Pak talks and you can always see the poise and the patience which is displayed when both countries meet. While each are under pressure and the Indian diplomat may be very well aware of the neighbouring countries countering tactics towards India, still he or she needs to maintain calm and take forward the discussion in a mature and congenial environment.

(d) We need not try to build yourselves up by running other people down- we need to stand in our merits and don't try to make yourselves good by making other people look bad. We need to stand in our merits, when we run other down to make ourselves look good the emphasis is on them and not on us. It is not necessary that I become good only when others are bad (which is called scanty mentality) but I can be good as well as the others. If our product has some shortcoming, we admit its shortcomings in front of competition and say we need to improve and we are working on it. We need be honest to appreciate their statements and understand each competitor and share our superiority and short comings.

(e) We need not knock anybody or anything – if we can't say good say nothing on the subject. Be shrewd, be smooth and don't knock and you can be silent.

We need to know how to appreciate the accounts good doings like – Green Initiative, CSR actions etc. How do we thank them for their cooperation and help and appreciate them?

- When you say Thank you – MEAN it- be genuine and sincere to thank.
- Say it clearly and distinctly- don't mumble or whisper , but say clearly thank you
- Look at the person, smile and thank- anybody worth thanking is worth looking at and give a bright and good hand-holding handshake
- Thank people by name – personalize your thanks by names. A person's name is the most precious word in someone else's mouth is accompanied by an appreciation.
- Work at thanking people- watch for chances to thank them and show your appreciation. The average person will thank for the obvious-the above average person for the not obvious.

When praising category managers/ store managers we need to

Be generous with your praise: Look for some good examples of execution done by the account and something to praise and then do it.

But the praise must be sincere

Praise the act, not the person

We need to be able to listen carefully (Being a good listener is not by accident) where the basic principles to be followed are

- Look at the person when talking
- Lean towards the speaker and listen intently so that you appear to not miss a word
- Ask questions



- Stick to the speaker's subject and don't interrupt
- Use the speaker's word- "you" and "yours"

If you are presenting to more than one team member

- Know the roles of each member
- Topics on which they will ask or are interested in
- The order in which each of those people would speak and taking care looking at all of them.

To summarize, we need to know how to be able to be a critique and at the same time, how to be appreciate in negotiation with external customers. The above principles have been always applied when I negotiate with an accounts and also when I criticize them. I have seen that these principles turn out to be really the best way to present myself while dealing with external customers. **The first impression hence becomes the last impression.**

# Stamp collection : A hobby of kings

Md. Arif Hussain

Stamp collecting is the hobby of kings and the king of hobbies. People read books, watch quiz shows only to increase their general knowledge and be updated with the world. Well, there is one more thing that can enhance knowledge about one's country and events and also adds antique values to it, this is what stamp collection is. Yes, those colorful and beautifully designed bits of papers which depict the history, culture and nature of a country. It helps one understand cultures, events of major countries of the world. It does not require any special skills or great wealth. It is one of the world's biggest hobbies, as there are 20 million people who collect stamps in China alone! One can easily be a stamp collector, because not much of funds are necessary and no initial knowledge of the subject is required.

Some individuals begin as young as age 4 and many collect until the day they die.

One of the specialties of stamp collecting is that this hobby is a kind of a secular hobby. Nation, language, age, sex and color do not constitute any barrier to stamp collection. There are two ways of collecting, one is collecting used stamps and the other is to collect unused or mint stamps. A collection of mint stamp would have more money value as compared to used stamps.

Stamp collectors are an important source of income for some countries who create limited runs of elaborate stamps designed mainly to be bought by stamp collectors. The stamps produced by these countries may exceed their postal needs, but may also feature attractive topical designs that many collectors desire.



## History

The collection of Postage stamps began at the same time that stamps were first issued, and by 1860 thousands of collectors and stamp dealers were appearing around the world as this new study and hobby spread across the world.

In 1840 the world's first postage stamp, the Penny Black, was issued by Great Britain in 1840, it had a picture of Queen Victoria. It did not have any perforations (imperforate) that's why it had to be cut from the sheet with scissors in order to be used.

Children and teenagers were early collectors of stamps in the 1860s and 1870s. Stamp collecting is a less popular hobby today than it was in the early 20th century, but today it is estimated that the number of stamp collectors is around 200 million. Tens of thousands of stamp dealers supply them with stamps along with stamp albums, catalogues and other publications. There are also thousands of stamp (philatelic) clubs and organizations that provide them with the history and other aspects of stamps. Today, though the number of collectors is somewhat less, stamp collecting is still one of the world's most popular hobbies.

## Stamps as tangible assets

People invest their money in assets like gold, silver, property because they increase in value as time passes, that saves the money from inflation as well as gives a fair chance of making a profit. But the problem with this kind of investments is that it takes a lot of money to invest and their market values are always fluctuating with the economy. But investing in stamps can be done by a very small amount of money and stamps too can assure you of investment return as high as 300% also the prices don't fluctuate, they always increase. Carefully selected stamps increase in value far faster than inflation, plus provide a tangible and portable substitute for cash. No other investment option will allow you to take a small fortune across international boundaries in a small envelope. Here's what the on-line encyclopedia Wikipedia has to say: "They offer an attractive alternative to art, other collectible investments, and precious metals."

## Where to get stamps

a. One can get stamps directly from Philatelic Services of India Post, the section of the Post office that makes postage stamps so one can get them new, straight from the source.

b. Neighbors, friends and relatives are a good source.

c. Office Mail. If you know anyone who works in an office that receives tons of mail, ask them to save the envelopes for you and maybe you could get foreign stamps.



d. Established collectors usually have duplicates and if you ask nicely maybe they could give you stamps to add to your collection.

e. Pen friends from other countries can be valuable in giving you foreign stamps.

f. Stamp clubs - if you belong to a stamp club, you can either buy stamps at a reduced price or swop with fellow members at meetings.

g. Stamp dealers are invaluable in supplying stamps; one can either go to their shops.



*Estimated value: Much higher than US\$3.14 million*

*The Treskillling Yellow is a Swedish postage stamp, which holds the world's record auction sales price for a single postage stamp.*

### Famous stamp collectors

a. Several European monarchs like King George V of the United Kingdom and King Carol II of Romania. King George V possessed one of the most valuable stamp collections in the world. His collection was passed on to Queen Elizabeth II who, while not a serious philatelist, has a collection of British and Commonwealth first day covers which she started in 1952.

b. Franklin Roosevelt, while U.S. President, was a stamp collector.

c. Former President of India, K.R. Narayanan was also a n enthusiastic stamp collector.

d. Freddie Mercury, lead singer of the band Queen, collected stamps as a child.

e. John Lennon of The Beatles was a childhood stamp collector. His stamp album is held by the National Postal Museum.

### Conclusion

If you donot enjoy a particular hobby then its time you chose Stamp collection as a hobby. It is not only a good means to utilize your leisure time but it comes with all kinds of benefits, starting from gaining knowledge to have a good investment of your small pocket money.



*Estimated value: US\$5 million*

*The UK's 1840 issued Penny Black is the first stamp in the world. It was designed by Rowland Hill, who proposed the reform of the British postal system. He was called the Father of the Postage Stamp.*

# 1# LOCK KiYA JAYE?

LITON ROY



1. What's unique about this game of chess in progress?

2. This Bombay Dyeing advertisement has something unique about it. What is that?



3. This aesthetic trophy is awarded in which prestigious event?



4. CONNECT THE TWO?



5. This is a picture of a renowned cartoonist and his son. This cartoonist's son inspired him to create an all time hit cartoon character. Can you name this cartoonist and the famous character that he created?



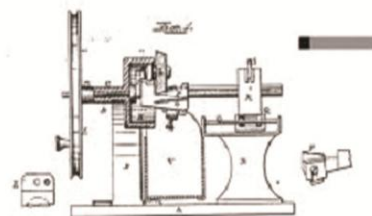
6. In 1999, famous American telecom company AT&T wanted to revamp its advertising strategy. So their advertising and promotional think tank came up with a unique idea to place their brand name on a prime time TV show in a very innovative way. What was that TV show and how did AT&T place its brand in it?

7. CONNECT .....



8. What are they doing?

H. C. RICE.  
No. 230,338. Patented July 20, 1880.



9. It is a diagram of a patented instrument invented in 1880. Almost everyone of use has used one or the other variant of this simple yet useful instrument. What is this instrument called?



10. This humble looking cafeteria, based in the heart of Edinburgh city became famous for a literary reason. Point out the reason.

Answers in the next issue, till then KEEP GUESSING!

# INVITATION

**Team Uttaran, invites articles from all B-Schools. The articles can be on any topic related to area of management ranging from Finance, Human Resources, Marketing, Operations and Production Management or Systems. The work should be your original; reference should be cited wherever necessary. The best article will be published as the “article of the month”, and the author whose articles will be judged as the “article of the month” for two consecutive months will receive a cash prize of Rs. 1000.**

## **Instructions:**

**☒ Please send the articles with the following particulars:**

- **Title of the Article**
- **Writer's name**
- **Institution's Name**
- **Semester, Batch**

**☒ The articles should not exceed 1200 words.**

**☒ The article should be send in a MS Word file (.doc), and the font should be Times New Roman and size 12.**

**☒ Article for the next issue should reach us by 25th of september, 2012.**

**☒ Interested students can send their articles to [uttaran@tezu.ernet.in](mailto:uttaran@tezu.ernet.in)**



[uttaran@tezu.ernet.in](mailto:uttaran@tezu.ernet.in)